

# Trade body wants panel to monitor investment in state

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**DEHRADUN:** An apex trade association has suggested that the Uttarakhand government form a high-power committee so that Rs 2 lakh crore of investments the state has received in the past five years could be used in setting up industries.

"Half of this investment is lying unused... Almost the same is the case with the remaining amount," said DS Rawat, secretary general of Assocham (Associated Chambers of Commerce and Industry of India).

"Investors find it difficult to invest those funds in units they are setting up in the state owing to various hurdles," Rawat told reporters here on Saturday.

"We have urged the chief minister to set up a high-power committee so that investments could be used in setting up industries."

Rawat said a study by Assocham revealed that bureaucratic red tape was one of the hurdles coming in the way of a smooth utilisation of investments. The study, titled 'Uttarakhand: Economic Growth and Investment Performance', had been submitted to the chief minister, he said, adding that the report presented an overview of the state's performance since the fiscal 2012-13.

"Apart from bureaucratic hurdles, the bottlenecks pertaining to land acquisition and environment clearances are also coming in the way of a smooth utilisation of investments," Rawat said. "Even if half of the investments are properly utilized, it would result in some 30,000 people getting jobs in the industrial sector."

Rawat said agrarian sector also required the government's focused attention. The agricul-



Assocham secretary general D S Rawat. VINAY S KUMAR/HT PHOTO

**▶ Apart from bureaucratic hurdles, the bottlenecks pertaining to land acquisition and environment clearances are also coming in the way of a smooth utilisation of investments**

DS RAWAT, secretary general of Assocham

ture growth rate in the mountain state has registered a sharp decline from 12.3% in 2012 to 8.9% in the current fiscal, he said, quoting the Assocham study.

"The growth in the service sector though had registered a marginal increase from 33.9% in 2012 to 36.9%," Rawat said, suggesting that the state government "re-strategise" its policy initiatives to boost to the farm and service sectors.

# Investment monitoring task force urged

PNS ■ DEHRADUN

The Associated Chambers of Commerce and Industry of India (ASSOCHAM) has urged Uttarakhand Government to urgently set up a special investment monitoring task force to ensure timely and effective implementation of live investment projects worth over Rs two lakh crore attracted by the State from global and domestic private and public sources in the financial year 2017 to create around 30,000 direct jobs in the next five years.

Addressing the media here in Dehradun on Saturday, the ASSOCHAM secretary general DS Rawat said, "Speeding up implementation of projects through target setting must be the mandate and chief ministers should immediately constitute committee of senior ministers and bureaucrats to oversee pace of projects' implementation and address environmental, land acquisition and other related issues proactively to balance interests of all stakeholders."

Releasing the findings of the ASSOCHAM study 'Uttarakhand: Economic Growth and Investment Performance Analysis', he said that the State should accord more importance to implementing investment intentions as even if about half of these get implemented it would help create thousands of direct and indirect jobs across the state during the course of next five years.

"The Uttarakhand Government must focus on upskilling its people thereby making them more employable as that would help deal with challenges of growing migration of people to greener pastures in search of jobs and will also help in attracting investors by portraying abundant skilled workforce availability," he said. Rawat further stated that the state's future success also lies in unlocking potential of abundant natural resources though it will also have to deal with factors like land scarcity, rising human-wildlife conflict, physical connectivity and others.



ASSOCHAM secretary general DS Rawat addresses the media in Dehradun on Saturday. Pioneer photo

He said that live investments attracted by Uttarakhand grew at a compounded annual growth rate (CAGR) of 14.5 per cent between financial years 2012 and 2017 which is almost three times of the national average CAGR of 4.8 per cent clocked during this period, according to the study conducted by ASSOCHAM Economic Research Bureau (AERB). Non-financial services account for over half of the total live

investments attracted by Uttarakhand in financial year 2017 with electricity sector acquiring over 46 per cent share in this regard, it noted.

He informed that though agriculture and allied activities are the mainstay of over 51 per cent of state's total workforce as per the 2011 census, the sector's contribution to state's economy recorded a decline of about three per cent from 12.3 per cent in 2012 to 8.9 per cent in 2017.

There is also not much difference in terms of agriculture sector's growth pattern in past five years as it remained at about two per cent. Rawat recalled that the chamber has often suggested that

the government authorities should float a state-specific separate mountain farming policy. "Low level of land holdings and poor crop productivity pose the grave twin challenges being faced by agriculture sector in Uttarakhand. So, priority must be given to further developing irrigation infrastructure besides, production of local and traditional mountain crops must be promoted and farmers must also be given adequate cover in terms of welfare schemes," he said.

Apart from this, adequate technical and financial support for water conservation should also be extended to farmers and steps should be taken to encourage improved agronomic practices for higher farm productivity, better soil treatment, increased water

holding capacity, judicious use of chemicals and enhanced soil carbon storage.

Promotion of food processing industries, bolstering sector-specific infrastructure like warehouses, cold storages and others to avoid spoilage of perishable products will further strengthen the industrial scenario of Uttarakhand, suggested the ASSOCHAM paper. The contribution of services sector to Uttarakhand's economy has improved significantly from 33.9 per cent in 2012 to 36.5 per cent in 2017. Besides, it has also grown at a CAGR of 8.6 per cent between 2012 and 2017 which is equivalent to the national average CAGR in this regard.

Terming the state's performance in services sector as 'encouraging', the ASSOCHAM study has suggested the policymakers to aim for expanding the sector by it tourism or information technology--both hold massive potential to generate additional economic activity and employment opportunities in Uttarakhand.

## U'khand lags in project implementation: Report

TIMES NEWS NETWORK

**Dehradun:** Uttarakhand has witnessed delayed progress in implementation of industrial projects despite attracting investment worth Rs 2 lakh crores from national and international firms in 2017, according to a report by industrial body Assocham. In financial year 2016, the project implementation rate of the state stood at 38% while it rose to 58% in 2017.

Citing the need to set up a special investment monitoring task force, the general secretary of Assocham, D S Rawat, said, "Speeding up implementation of projects through target setting must be the mandate. The chief minister should constitute a committee of senior ministers and bureaucrats to oversee pace of projects' implementation and address environment, land

acquisition and other related issues to balance interests of all stakeholders." Industry experts said that the state should accord more importance to project implementation since even if half of these get implemented it would help create thousands of direct and indirect jobs across the state during the course of next five years.

According to sources, non-financial services account for over half of the total live investments attracted by Uttarakhand as on financial year 2017 with electricity sector acquiring over 46% share. At present, 151 projects worth over Rs 1 crore are under various stages of implementation in Uttarakhand. According to an estimate by the experts of Assocham, if all projects are implemented on time it will give jobs to around 30,000 people of Uttarakhand.

# Set up task force in U'khand to monitor investment implementation: ASSOCHAM

**By OUR STAFF REPORTER**  
**DEHRADUN, 25 Nov:** Apex industry body ASSOCHAM has urged the state government to urgently set up a special 'investment monitoring task force,' to ensure timely and effective implementation of live investment projects worth over Rs 2 lakh crore attracted by the state from global and domestic private and public sources as of FY17 to create around 30,000 direct jobs in the next five years.

"Speeding up implementation of projects through target setting must be the mandate and the Chief Minister should immediately constitute a committee of senior ministers and bureaucrats to oversee the pace of project implementation and address environmental, land acquisition and other related issues proactively to balance interests of all stakeholders," said ASSOCHAM's Secretary General DS Rawat while addressing a press conference here today.

"The state should accord more importance to implementing investment intentions as even if about half of these get implemented it would help create thousands of direct and indirect jobs across the state during the course of the next five years," said Rawat while releasing the just-concluded ASSOCHAM study titled, 'Uttarakhand: Economic Growth & Investment Performance Analysis.'

"The Uttarakhand government must focus on upskilling its people thereby making them more employable as that would help deal with challenges of growing migration of people to greener pastures in search of jobs and will also help attract investors by portraying abundant skilled workforce availability," he added.

He further stated that the state's future success also lies in unlocking potential of abundant natural resources but going ahead it will have to deal with factors like land scarcity, growing man-animal conflicts, physical connectivity and others.



Live investments attracted by Uttarakhand grew at a compounded annual growth rate (CAGR) of 14.5 per cent between FY12 and FY17 which is almost three times of the national average CAGR of 4.8 per cent clocked during this period, according to the study prepared by ASSOCHAM's Economic Research Bureau (AERB).

Non-financial services accounts for over half of the total live investments attracted by Uttarakhand as of FY17 with electricity sector acquiring over 46 per cent share in this regard, it noted.

As of FY17, 151 projects worth over Rs 2 lakh crore are under different stages of implementation in Uttarakhand. "While under implementation rate of projects has been declining sharply since FY14 and touched lowest level of 32 per cent in FY16, which is a positive sign, it however again crossed 58 per cent mark in FY17 probably due to it being an election year."

Whereas the all-India average under implementation rate of projects

has remained constant at about 54 per cent since FY12, sector-wise, non-financial services account for over 72 per cent share in projects that are under-implementation followed by electricity (26 per cent share).

"A higher under-implementation rate implies that most of the projects or outstanding investments are under process and are yet not completed. Therefore a higher under implementation rate does not augur well as actual benefits of an investment are only derived upon completion," added Rawat.

"Projects with huge investments that are under different stages of implementation have been a major concern for policymakers across India as governments both at the centre and the states have been taking various initiatives to reduce such investment projects both in terms of numbers and values," he added.

So far as economic performance of Uttarakhand is concerned, its economy had recorded a CAGR of 7.1 per cent between FY12

and FY17 and remained ahead of national economic average CAGR of 6.9 per cent clocked during the same period.

Though agriculture and its allied activities are the mainstay of over 51 per cent of the state's total workforce as per Census 2011, the sector's contribution to the state's economy recorded a decline of about three per cent i.e. from 12.3 per cent in FY12 to 8.9 per cent in FY17.

There is also not much difference in terms of agriculture sector's growth pattern in past five years as it remained at about two per cent.

As such, the chamber has time and again suggested the government authorities float a state-specific separate hill farming policy. "Low level of land holdings together with poor crop productivity are the grave twin challenges being faced by the agriculture sector in Uttarakhand, thus priority must be given to further developing irrigation infrastructure. Besides, production of local and

traditional hill crops must be promoted and farmers must also be given adequate cover in terms of welfare schemes."

Apart from this, adequate technical and financial support for water conservation should also be extended to farmers and steps should be taken to encourage improved agronomic practices for higher farm productivity, better soil treatment, increased water holding capacity, judicious use of chemicals and enhanced soil carbon storage.

Though the contribution of the industrial sector in Uttarakhand's economy has not improved much as it remained at about 52 per cent during both FY12 and FY17, the state has topped in terms of industrial sector growth thereby clocking a CAGR of 7.3 per cent during the aforementioned period. It also surpassed all-India industrial sector growth of 5.9 per cent registered during this period.

Promotion of food processing industries, bolstering sector-specific infrastructure like warehouses, cold storages and others to avoid spoilage of perishable products will further strengthen the industrial scenario of Uttarakhand, suggested the ASSOCHAM paper.

The contribution of the services sector to Uttarakhand's economy has improved significantly from 33.9 per cent in FY12 to 36.5 per cent in FY17. Besides, it has also grown at a CAGR of 8.6 per cent between FY12 and FY17 which is equivalent to the national average CAGR in this regard.

Terming the state's performance in the services sector as 'encouraging,' the ASSOCHAM study has suggested the policymakers aim for expanding the sector, be it tourism, information technology both hold massive potential to generate additional economic activity and employment opportunities in Uttarakhand.

